

# **EXHIBIT O**

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND  
NORTHERN DIVISION

\* \* \*

EQUAL EMPLOYMENT : CIVIL ACTION  
OPPORTUNITY COMMISSION :  
Plaintiff :  
and :  
KATHY C. KOCH :  
Intervenor/Plaintiff :  
:  
-vs- :  
:  
LA WEIGHT LOSS :  
Defendant : NO. S-02-CV-648

\* \* \*

30(b)(6) deposition of LA  
WEIGHT LOSS CENTERS, through its  
designee, KAREN P. SIEGEL, held in the  
offices of EQUAL EMPLOYMENT OPPORTUNITY  
COMMISSION, The Bourse Building, 111  
South Independence Mall East, Suite 400,  
Philadelphia, Pennsylvania 19106, on  
Wednesday, August 28, 2002, beginning at  
10:00 a.m., before Nancy D. Ronayne, a  
Court Reporter and Notary Public in and  
for the Commonwealth of Pennsylvania.

ESQUIRE DEPOSITION SERVICES  
1880 John F. Kennedy Boulevard  
15th Floor  
Philadelphia, Pennsylvania 19103  
215-988-9191

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1 A. No.  
 2 Q. Moving on from when you were  
 3 director of franchising, what did you do  
 4 next?  
 5 A. April of '98 I moved into  
 6 becoming HR manager or HR -- director of  
 7 HR I guess is the title.  
 8 Q. And how long have you been  
 9 in that position when you were in that  
 10 position?  
 11 A. I was -- the title changed.  
 12 Director of HR until April of '99, which  
 13 went to VP of HR in April of 2000, and  
 14 senior VP of HR in April 2001.  
 15 Q. And that's what your title  
 16 is today?  
 17 A. Yes.  
 18 Q. Senior Vice President of  
 19 Human Resources.  
 20 A. Yes.  
 21 Q. Was there a Senior Vice  
 22 President of Human Resources when you  
 23 were the Vice President of Human  
 24 Resources?

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1 A. No.  
 2 Q. Was there Vice President of  
 3 Human Resources when you were director of  
 4 Human Resources?  
 5 A. No.  
 6 Q. How many people do you  
 7 supervise at present as Senior Vice  
 8 President of Human Resources?  
 9 A. Twelve.  
 10 Q. And can you go through the  
 11 staff positions that you supervise?  
 12 A. I have an HR manager. I  
 13 have a benefits specialist. I have a  
 14 recruiting specialist. I have two  
 15 inhouse recruiters, two field recruiters,  
 16 I have a generalist. Did I give you a  
 17 generalist yet?  
 18 Q. No, you did not.  
 19 A. Okay, a generalist. I have  
 20 got an admin, I've got a payroll -- well,  
 21 I have three payroll clerks, payroll  
 22 processors. One payroll manager, two  
 23 payroll processors. And a like  
 24 payroll/HR assistant. I believe 13.

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1 Q. Yes, 13 people.  
 2 Have the people you just  
 3 mentioned here that you supervise today,  
 4 has that list changed significantly or  
 5 actually has it changed at all during the  
 6 course of your time as Human Resources  
 7 Director?  
 8 A. Okay. I'm trying to think.  
 9 I had the benefits specialist was hired  
 10 in like November '98, and then another HR  
 11 manager was hired in '99. Then just in  
 12 the last like year in 2001 is when the  
 13 majority of the other people were added.  
 14 The payroll people were all there, I had  
 15 them right from the start. And then  
 16 additional HR people from there.  
 17 Q. So I'm sorry, since you said  
 18 April of 2000 or 2001?  
 19 A. 2001.  
 20 Q. So since April 2001 you've  
 21 had a recruiting specialist?  
 22 A. No. She's -- she's just  
 23 there a year, so like June of 2001.  
 24 Q. And you didn't have a

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1 recruiting specialist prior to that?  
 2 A. No.  
 3 Q. Did you do those functions  
 4 before that yourself?  
 5 A. Yes.  
 6 Q. And you've had inhouse  
 7 recruiters since April of 2001?  
 8 A. No. The two inhouse  
 9 recruiters started two months ago.  
 10 Q. Two months ago?  
 11 A. Yes.  
 12 Q. And you did not have inhouse  
 13 recruiters prior to that time?  
 14 A. That's correct.  
 15 Q. Did you do those functions  
 16 or that responsibility yourself?  
 17 A. Yes. We had field  
 18 recruiters, we had more field  
 19 recruiters. We had 10 field recruiters  
 20 at one point and now we're down to two.  
 21 And actually, they will also get phased  
 22 out, I'm going to be hiring additional  
 23 inhouse recruiters.  
 24 Q. So when you first started

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1 out as human resource's director you had  
2 approximately 10 field recruiters?

3 A. No. That was a -- that  
4 happened all within the last year rather  
5 and that's been transitioned out in the  
6 last year so it's been just recent.

7 Q. So since approximately the  
8 spring of 2001 to recently you had  
9 approximately 10 field house -- excuse  
10 me, field recruiters?

11 A. Increased -- the number  
12 increased progressively. I had one for  
13 like months and then added another one  
14 and so it wasn't all 10 people were not  
15 hired at the same time.

16 Q. And prior to last year in  
17 2001, who was responsible for those, for  
18 the responsibility of the field  
19 recruiters?

20 A. The management, field  
21 management did their own recruiting.

22 MR. GOLSKI: I hate to  
23 interrupt, but I will, just to  
24 clarify some dates. You indicated

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1 you were from April '98 to April  
2 '99 you were director of human  
3 resources?

4 THE WITNESS: Yes.

5 MR. GOLSKI: April of '99  
6 to April of 2000 you were Vice  
7 President of Human Resources?

8 THE WITNESS: Yes.

9 MR. GOLSKI: And then you  
10 went April of 2001 to Senior Vice  
11 President of Human Resources?

12 THE WITNESS: Yes.

13 MR. GOLSKI: What happened  
14 in between 2000 and 2001?

15 THE WITNESS: Oh, okay.  
16 Did we miss a year in there?

17 MR. GOLSKI: Yes. It jumps  
18 from 2000 to --

19 THE WITNESS: Sorry.  
20 Sorry. Okay, '98 to '99 then was  
21 director; '99 to 2000 is VP. So  
22 then 2000 to current is Senior VP.

23 MR. GOLSKI: Okay. Thank  
24 you. That was it.

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1 BY MS. NYFELER:

2 Q. And moving to the position  
3 of generalist, how long have you had a  
4 generalist?

5 A. Close to three years.

6 Q. And prior to when you  
7 started having a generalist three years  
8 ago who was responsible for the job  
9 duties of a generalist?

10 A. I was.

11 Q. You were.

12 A. We need to go back and  
13 change, Villanova was '98, I think I told  
14 you '99. Sorry about that.

15 Q. Okay, thank you. And did  
16 you have an administrative assistant and  
17 payroll collection -- payroll assistant  
18 prior to I guess 2001 when most of this  
19 staff was hired?

20 A. I did not have -- I had no  
21 administrative assistant. And payroll  
22 started to report to me in sometime in  
23 2000.

24 Q. Were they reporting to

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1 someone else prior to you?

2 A. Yes. Controller.

3 Q. What are your  
4 responsibilities or job duties as the  
5 human resources director, limiting it to  
6 the period of April '98 to April of '99?

7 A. I was working with counsel  
8 to establish formalized policies and  
9 procedures putting together a formalized  
10 handbook. We had certain policies that  
11 were in place but I was undertaking the  
12 task of really formalizing it and put  
13 together a handbook. Develop the  
14 department and take on literally all the  
15 responsibilities from an HR standpoint,  
16 employee relations, anything relative to  
17 employee, employee relations, that sort  
18 of thing.

19 Q. Who was responsible for  
20 those job duties before you?

21 A. We had a person, we have an  
22 individual who process payroll. We had  
23 one person that processed payroll and she  
24 handled some personnel issues. I mean,

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1 we were very -- I mean at that point in  
2 time we had like 22 stores or something.  
3 We had gone through phenomenal growth in  
4 that period but there was, really wasn't  
5 anybody that was handling -- there wasn't  
6 any true HR person.

7 Q. So when you became the human  
8 resources director you were responsible  
9 for overseeing the policies and  
10 procedures and handbook for the 22  
11 stores?

12 A. However many corporate  
13 stores. We were adding stores  
14 constantly.

15 Q. Are the corporate stores  
16 different from the franchises or are they  
17 the same?

18 A. Totally -- well, different  
19 how?

20 Q. Well, are you talking about  
21 the franchises when you're talking  
22 about --

23 A. No, I don't deal with the  
24 franchises at all.

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1 Q. The corporation handles its  
2 own individual stores?

3 A. Yes.

4 Q. And the policies and  
5 procedures in the handbooks that you're  
6 referring to, were they seminated to the  
7 franchises at all?

8 A. No.

9 Q. So they were strictly  
10 limited to the stores that the  
11 corporation owns?

12 A. Yes.

13 Q. Is there a document or  
14 anything in writing that would contain a  
15 list of the corporate stores that were  
16 open and doing business back when you  
17 started as Human Resources Director in  
18 1998?

19 A. Yes.

20 Q. What would that document be  
21 entitled?

22 A. It's a center phone list.

23 Q. I'm sorry, center phone  
24 list?

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1 A. Yes. It indicates center  
2 opening date.

3 Q. Is that phone list still a  
4 document that's relied on by the company  
5 today?

6 A. Yes.

7 Q. And would it contain the  
8 same centers -- are the centers that were  
9 opened back in 1998, are they still open  
10 today?

11 A. Yes.

12 Q. I'm talking about the  
13 corporate stores now?

14 A. Yes. There is one store  
15 that is closed.

16 Q. Which store would that be?

17 A. Catonsville, Maryland, but I  
18 believe they did it as a relocation. Or  
19 -- hold on, that was a relocation. It's  
20 in borderline to -- Harrisonburg,  
21 Virginia.

22 Q. It was relocated from  
23 Catonsville?

24 A. No, Harrisonburg is the one

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1 that closed. Catonsville was a relo so  
2 that doesn't --

3 Q. So we're talking about two  
4 different places now?

5 A. Yes, I'm sorry.  
6 Harrisonburg, Virginia is a store that  
7 was closed.

8 Q. Is that the only store  
9 that's closed since you became human  
10 resources director in 1998?

11 A. To the best of my memory at  
12 this point, yes. We've had a couple of  
13 stores that have relocated.

14 Q. And would they still be  
15 listed in the corporate phone list?

16 A. Yes. It will show, it lists  
17 the store, the original store and then  
18 show it as a relo.

19 Q. And is that what it's  
20 called, the center phone list?

21 A. Just corporate center phone  
22 list. We're very low tech.

23 Q. Was that list in effect  
24 prior to you becoming human resources

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1 Q. For management, for field  
2 management?

3 A. For people that were doing  
4 the interviewing in the field; that's  
5 correct. And that evolved as well. I  
6 mean, it's hard to explain but again,  
7 very, very -- we're talking very small  
8 company, a mom and pop if you will. And  
9 everyone out there was sort of a mom and  
10 pop and trying to make that more  
11 uniform.

12 Okay, so then what happened  
13 from there was we were given the ability  
14 to hire field recruiters because it was  
15 too much responsibility in running  
16 centers as well as trying to recruit  
17 employees. So we started hiring field  
18 recruiters that would take the leads,  
19 pre-screen the leads, set up interviews  
20 for their, you know, the managers that  
21 they worked for in the areas that they  
22 worked for.

23 Some managers allowed the  
24 field recruiters to actually do the

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1 interviews for them and then maybe they  
2 would be second interviews. Or they  
3 themselves wanted to interview the  
4 people, that would be potentially working  
5 in their centers, okay.

6 That now has evolved into  
7 where we decided that we're going to be  
8 accountable and responsible for the  
9 entire function from the recruiting  
10 standpoint. We are doing all the  
11 pre-screening, we are taking in all the  
12 leads. I mean we're phasing it out only  
13 because I don't have the people to be  
14 able to handle it a hundred percent at  
15 this point. But that's why I still have  
16 some field recruiters out there in areas  
17 that I haven't hired somebody internally  
18 to be able to handle. But then we're  
19 going to be responsible for getting all  
20 the leads, pre-screening all the leads,  
21 setting up the interviews for the people  
22 out in the field. They're still going to  
23 be doing their own interviews, than  
24 letting us know who it is that they want

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1 hire. And then we take it from there  
2 reference checking, you know, offers of  
3 employment, declamation letters. So we  
4 finish the cycle if you will from that  
5 standpoint.

6 Q. Go ahead.

7 A. And so as that process has  
8 evolved my involvement at the field level  
9 has become much greater where I now train  
10 any supervisor, anyone who is involved in  
11 the hiring process gets trained by me.  
12 Literally, that's -- that's started,  
13 again, pretty much towards the beginning  
14 but is now, you know, just ingrained with  
15 whatever we do.

16 Q. What is a lead? You  
17 referred to lead several times, what is a  
18 lead?

19 A. Someone who applied for a  
20 position.

21 Q. Any position?

22 A. In response to an ad.

23 Q. Is it any job or is it any  
24 job in particular?

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1 A. Any job.

2 Q. So would that be jobs that  
3 go from the lowest person in the field  
4 office to the manager to the highest  
5 person in the field office?

6 A. Yes.

7 Q. And can you give me  
8 approximately a time frame how the  
9 evolution took place? You started with  
10 sounds like, and correct me if I'm wrong,  
11 but that the office, the corporate  
12 stores, field stores if you will were  
13 responsible for handling all of these  
14 things on their own at first. All these  
15 things being advertising, hiring, and  
16 being responsible for recruiting any  
17 leads which would be anybody who works in  
18 your office when you first started as  
19 human resources director; is that  
20 correct?

21 A. Yes.

22 Q. And then at some point some  
23 of these responsibilities were  
24 disseminated back to the field -- excuse



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1 the scope of this lawsuit, at  
2 least as I understand it. Which  
3 you can go ahead and go through  
4 this.

5 THE WITNESS: Okay. So you  
6 have a marketing manager, you've  
7 got TV buyer and within those  
8 positions -- for instance, within  
9 the TV buyer position that  
10 obviously as the company's grown  
11 has expanded as well. We've gone  
12 from one to three.

13 The marketing department in  
14 general, you know, there's an  
15 admin now. There's a  
16 communications division of  
17 marketing that handles all of our  
18 -- our phone systems, AT&T, you  
19 know, phone systems throughout our  
20 centers. There's two individuals  
21 that work in that department.  
22 That started in '98 with one  
23 individual and has now since grown  
24 to two people.

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1 BY MS. NYFELER:

2 Q. Okay.

3 A. Let me think, what else.  
4 We've added a graphic arts department,  
5 that started in 1998 and again, that's  
6 grown from one person to two people.  
7 Within market additionally there's a  
8 number of administrative positions that  
9 have evolved.

10 Q. I'm sorry, I don't mean to  
11 cut you off. Ms. Siegel, do you have  
12 payroll records for each of these years?

13 A. Yes, sure.

14 Q. And are they maintained by  
15 anybody in corporate?

16 A. ADP is like -- we have --  
17 what we have are the payroll journals  
18 obviously that they go by quarter. And  
19 they are broken down by department. What  
20 we have access to we have access to all  
21 of them. One of the problems is  
22 switching payroll companies from Zurich  
23 to ADP. Zurich has not responded to some  
24 of the requests that I've made as far as

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1 getting information.

2 Another issue that we have,  
3 we've moved two times since. You know,  
4 like we were in Blue Bell in one  
5 location, we were in Blue Bell in another  
6 location. We were in Horsham in one  
7 location, we're in Horsham in another  
8 location.

9 We've had -- we were up to  
10 11 I believe even 12 storage facilities,  
11 those like you pull in park and lock  
12 storage facility places. We've moved  
13 from that -- well, we had a storage  
14 facility up in Souderton, Pennsylvania as  
15 well as these 11 to 12 like places in  
16 Willow Grove. We've just leased a  
17 warehouse recently in the past like six  
18 months which we've tried to catalogue and  
19 move everything up to there. Which  
20 everything is on pallets right now in a  
21 huge storage like a warehouse facility  
22 that we also use for product distribution  
23 so.

24 So there are records. I

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1 mean, whatever we can possibly find or  
2 get we are going to make available to  
3 you, so yes.

4 Q. So you have --

5 A. -- we have them. It's a  
6 question of if they're in a storage  
7 facility in Willow Grove, if they're at  
8 Allentown. Souderton has been cleaned  
9 out. So it's a matter of what we have  
10 maintained. What's made it from one  
11 location to another and just finding and  
12 locating it.

13 So yes. Could we try an  
14 recreate this from the standpoint of  
15 payroll records, yes. I can do it from a  
16 memory standpoint, I've been there the  
17 whole time. I can tell you. I can't be  
18 specific with a date but I can tell. You  
19 know what I mean, I can go through every  
20 department and say yes, okay, now we have  
21 a financial analyst, now we have this  
22 person and that person.

23 Q. So you have a storage  
24 facility in Willow Grove and a storage in